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Sender's Extension: 5500

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Geannie Hogan, Esq.Fax #: (212) 344-4294
Fax #: (212) 344-4294CC: Mr. Alexander Spiezio
Tidewater Baling Corp.Fax #: (609) 633-1454
Fax #: (973) 340-9896

Re: Tidewater Baling Corp.

Client/Matter #

MESSAGE:

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Re: Tidewater Baling Corp.

Dear Mr. Booth and Ms. Hogan:

I received, this morning, a letter stamped June 11 from the NJDEP. The letter is indicated to have been sent to me by both certified mail and by facsimile. We have no record of receiving the facsimile transmission.

The letter demands that in order to avoid the Department's assessing penalties or take other action against Tidewater Baling a conference call must be scheduled for the week of June 9 (sic) or the week of June 16 which would include CNA, TWB and a member of the DEP staff Mr. Alexander Spiezio.

Please contact me upon your receipt of this letter so that we may schedule such a conference call. At the very least it may be crucial that you explain to the NJDEP that you are awaiting documents from the NJDEP for which a Freedom of Information Act request has been filed before you can respond further in this matter.

SHANLEY & FISHER

Charles A. Booth, Esq.

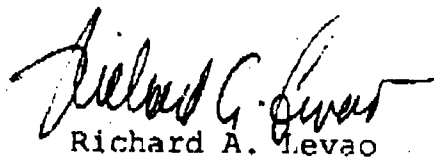
June 16, 1997

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As you may know Tidewater Baling is in a precarious financial position and the imposition of substantial penalties could be fatal to the company.

Very truly yours,

SHANLEY & FISHER, P.C.



Richard A. Levao

RAL:pi

cc: Mr. Alexander Spiezio
(Fax # (609) 633-1454
Tidewater Baling Corp.
(Fax # (201) 340-9896

**State of New Jersey**

Department of Environmental Protection

Christine Todd Whitman
GovernorRobert C. Shinn, Jr.
Commissioner**VIA FACSIMILE AND****JUN 11 1997****CERTIFIED MAIL
RETURN RECEIPT REQUESTED
NO. P249 581 061**Richard A. Levao
Shanley & Fisher
131 Madison Avenue
Morristown, New Jersey 07962-1979

Dear Mr. Levao:

Re: Tidewater Baling Site
Newark City, Essex County

This letter is a response to your correspondence to the Department which was received on May 21, 1997.

By way of background, the Department offers the following:

On March 16, 1992 an Administrative Consent Order was entered into between the Department and Tidewater Baling (TWB). The ACO serves as an oversight document for field activities, oversight costs reimbursement and the submittal and review of documents/reports supporting remedial activities at contaminated or potentially contaminated sites. Since the Department's August 23, 1995 approval of the Remedial Action Work Plan, no real progress has been made at the site.

In your letter you requested that the Department meet with C.N.A. Insurance Company in order to help expedite the outstanding claim for cleanup costs. The Department is concerned that TWB is only now, almost 2 years later, seeking Department intervention.

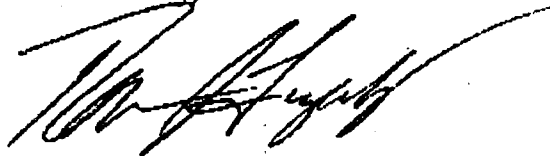
While the Department is willing to help TWB access the funds necessary to remediate this site, the Department cannot discuss any liability and/or coverage issues with C.N.A. Insurance. However, if you'd like to schedule a conference call regarding site history, remedial activities conducted to date and/or proposed remedial activities, the Department would gladly participate.

TWB must note that the Department cannot allow the remediation of this site to be delayed any longer. TWB must arrange for the conference call between C.N.A., TWB and Alexander Spiezio, of my staff, for a time during the week of June 9, 1997 or the week of June 16, 1997.

If the conference call does not yield a financial commitment from C.N.A. Insurance and/or the call does not take place the Department may elect to refer this matter to enforcement by assessing stipulated penalties pursuant to paragraphs 74 through 79 of the March 16, 1992 Administrative Consent Order. The Department may further elect to unilaterally terminate this ACO as per the provisions of paragraph 82 of the ACO and refer this site for remediation utilizing Public Funds.

To arrange for the conference call or if you should have any further questions please contact Mr. Spiezio at (609) 633-1489.

Sincerely,



Roman S. Luzecky, Section Chief
Bureau of Federal Case Management

c: Alexander Spiezio, BFCM
Richard Yarsinsky, Enforcement